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C O N F I D E N T I A L SECTION 01 OF 06 LIMA 005332

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TAGS: [PGOV](#) [ETRD](#) [SNAR](#) [PREL](#) [PE](#)

SUBJECT: THE PERUVIAN ELECTION CAMPAIGN BASELINE: HUMALA  
SURGING FORWARD BUT THERE IS STILL A LONG WAY TO GO

REF: A. LIMA 5291

- [1](#)B. LIMA 5192
- [1](#)C. LIMA 5061
- [1](#)D. LIMA 4854
- [1](#)E. LIMA 4132

Classified By: Political Counselor Alexander Margulies. Reason: 1.4(d)

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SUMMARY  
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[1](#)1. (SBU) The Peruvian presidential race currently has four major contenders: Lourdes Flores of the Unidad Nacional alliance; ultra-nationalist Ollanta Humala, who has yet to register his Peruvian Nationalist Party; former President Alan Garcia of the APRA party; and former Interim President Valentin Paniagua of the Center Front alliance. Former President Alberto Fujimori's candidacy remains in doubt, but if it is approved by the National Electoral Board that would add him to the mix. While the emergence of a new "outsider" candidate cannot be completely discounted, this looks increasingly unlikely. The race remains wide open as, with serious campaigning yet to begin, none of the major candidates registers more than 25 percent in the most recent poll. Ultra-nationalist Ollanta Humala's surge into second place is worrisome, as are reports that the Peruvian business elite has begun contributing to his campaign, but whether Humala can sustain this momentum remains an open question. The congressional race is equally fractured, with no/no party or alliance registering even 20 percent preference in the polls. END SUMMARY.

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THE LATEST POLL  
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[1](#)2. (U) A poll taken by the Apoyo consultancy on December 3 and 8, in 15 urban areas across Peru ranked voters preference for presidential contenders as follows:

Lourdes Flores	25 percent
Ollanta Humala	22 percent
Alan Garcia	16 percent
Valentin Paniagua	14 percent
Jaime Salinas	4 percent
David Waisman	2 percent
Jaime Yoshiyama	2 percent
Alberto Borea	1 percent
Natale Amprimo	1 percent
Javier Diez Canseco	1 percent
Fernando Olivera	1 percent
None/Blank/Invalidated	9 percent
No Answer	2 percent

[1](#)3. (U) Fujimori was not included in the list of potential candidates, but his support, and its effect on the support for other candidates, is reflected in the answers to the poll's question as to which politician voters sympathize with most:

Lourdes Flores	19 percent
Ollanta Humala	18 percent
Alberto Fujimori	15 percent
Valentin Paniagua	14 percent
Alan Garcia	13 percent
Jaime Salinas	4 percent
David Waisman	2 percent
Javier Diez Canseco	2 percent
Others	4 percent
None	8 percent
No Answer	1 percent

[1](#)4. (U) With respect to the legislative race, those polled stated they would vote as follows (our calculation of the approximate proportional number of congressional seats each party would take are in brackets, given that a party must obtain at least four percent of the national vote to win a seat in Congress):

APRA	19 percent (36 seats)
Unidad Nacional	17 percent (32 seats)
Peruvian Nationalist Party	12 percent (22 seats)

Center Front	8 percent (15 seats)
Pro-Fujimori Parties	8 percent (15 seats)
Others	11 percent
Blank/Invalidated	12 percent
No Answer	13 percent

15. (SBU) COMMENT: The Apoyo poll differs markedly from a national poll taken by the University of Lima on December 3-4, which gave Flores 25.6 percent, followed by Garcia at 16.2 percent, Humala at 14.6 percent, and Paniagua with eight percent. We have more confidence in the Apoyo poll, as that consultancy is the only polling organization that has permanent employees in the provinces (the others contract university students to do their polling), regularly conducts national surveys, and is the most professional with respect to training personnel, equipment and methodology. The University of Lima and other major polling organizations (IMA, IMASEN, CPI, IDICE, DATUM) generally confine their activities to the Lima/Callao metropolitan area. In addition, some of the polling companies reportedly have ties to political parties (IMA with Peru Posible, IDICE with APRA, IMASEN with Somos Peru), which raises questions as to their objectivity. We also note that INR uses Apoyo to conduct its surveys in Peru. END COMMENT.

#### ----- WHAT DO THE POLL RESULTS MEAN? -----

16. (U) The poll results provide a snapshot of preferences as of early December, but should not/not be considered as indicative of what the final vote tallies will look like come election day on April 9. For starters, of those polled only 46 percent said that they have definitively decided how they will vote. Secondly, the electoral campaign is just beginning, and will not/not really kick into high gear until January. Our assessments of where the individual candidates and their respective alliances/parties currently stand follows. It is worth noting that all candidates recognize that no/no one is likely to win an outright majority, and that gaining 25-30 percent of the vote in April should be enough to earn a place in the May 7 run-off elections between the two top finishers. Hence, the candidates' focus is on obtaining that 25-30 percent.

#### LOURDES FLORES - UNIDAD NACIONAL ALLIANCE -----

17. (U) Lourdes Flores has been leading the presidential polls since early this year. While her numbers have fallen slightly to 25 percent in the December poll, from 27 percent in October and 28 percent in November, this may just be a statistical aberration, as this result remains within the poll's claimed margin of error of 2.5 percent. If her support has indeed fallen slightly, this is probably due to the normal wear and tear on a front-runner. Some observers posit, however, that this constitutes evidence that erstwhile Fujimori sympathizers who had latched on to Flores are now shifting to Humala.

18. (U) Flores has been campaigning furiously since early this year in a successful effort to pre-empt other rivals from the center-right. She maneuvered to win the Presidency of the Popular Christian Party (PPC), the largest member of the Unidad Nacional (UN) alliance, and used her control of the PPC machinery to deep-six exploratory efforts by Congressman (and former PPC President) Antero Flores-Araoz to launch his own candidacy. The other major threat within the center-right was posed by popular Lima Mayor Luis Castaneda, but this never materialized as Castaneda chose not/not to seek the presidency this year. There were concerns that Castaneda's National Solidarity party would leave the UN alliance and run its own slate of congressional candidates, but in late November he chose to hop on the Flores bandwagon. The only other center-right candidate figuring in the polls is Jaime Salinas of the National Justice party.

19. (U) The priority for the Flores campaign is to broaden her appeal beyond the traditional center-right sector based in Lima. She is making a tremendous effort to change her image as a representative of the traditional elite that is distanced from the common folk, making frequent campaign trips to the provinces, spending much of her time in Lima shaking hands at community events in the shanty-towns surrounding the capital, and stressing support for health, education and social justice in her speeches and public statements. The Apoyo poll indicates that her travels are bearing fruit, as her support in the central highlands (36 percent) now exceeds her backing in Lima itself (30 percent).

110. (C) COMMENT: Flores' prospects for reaching the second round are relatively bright at the moment. Jaime Salinas is her only rival left within the center right, and Salinas himself recognizes that his chances of supplanting her are minimal; he recently complained to the Ambassador that his fundraising efforts are being rebuffed by business leaders who advise him to wait his turn as 2006 is Flores'

opportunity. It is possible that a Fujimori candidacy would siphon off some of her supporters, but it is increasingly unlikely that Fujimori will be permitted to run. While Flores, as the front-runner, had been catching considerable flack from rival parties, particularly APRA, Humala's surge in the polls has transferred the political class' and media's attention to him, giving her a useful respite. END COMMENT.

OLLANTA HUMALA - PERUVIAN NATIONALIST PARTY

11. (U) Ollanta Humala may actually be leading the presidential race at present. The Apoyo poll, while national in scope, is taken in urban areas. The anecdotal evidence that we have received indicates that support for Humala is much greater in rural areas, particularly in his stronghold of the southern highlands (39 percent in the poll) and southern coast (31 percent). Over the past month Humala's support has doubled nationally and tripled in Lima (from five to 15 percent). This gain appears to be due in large part to a shift in the preferences of Fujimori supporters who, with their favorite candidate incommunicado and apparently out of the running in his Chilean prison cell, have fastened on Humala as the leading anti-system candidate. His campaign reportedly is now receiving significant funding from Peru's commercial elite, with anti-Free Trade Agreement businessmen (domestic manufacturers, pharmaceuticals, non-export agriculture) seeing him as their champion, and FTA-proponents viewing a contribution as an insurance policy to protect their interests should Humala win. The political class' recent criticism of Humala may actually bolster his support, as Humala's popular appeal is greatest among those who reject established politicians and favor candidates who want to clean house.

12. (U) After initially flirting with the far-left, Humala seems to have recognized that the traditional Marxists wanted to use him as a vehicle to advance their own electoral ambitions; that a formal association with them would limit his appeal; and that his own growing popularity obviated his need for the far-left's organizational apparatus. As a result, Humala conditioned any alliance on the Marxists assuming a subservient posture, ceding to him control over the presidential and congressional tickets, a role they rejected, characterizing him as "authoritarian."

12. (U) It remains unclear what vehicle Humala will use to run for the highest office. His Peruvian Nationalist Party (PNP) has filed to register with the National Electoral Board (JNE), but the latter has raised several objections, none of which should be difficult for the PNP to surmount. The principle objection is that, while the JNE has found that the PNP has presented the required 128,293 signatures to register a new party, it has determined that the PNP has only formed 44 of the 65 provincial committees (of at least 50 members each) required under the Political Party law. Other objections relate to the party's symbol, which is similar to another party's previously registered symbol, to some party officials being listed as members of other parties, and to conflicting provisions in the party's statute. The PNP should have sufficient time to rectify these shortcomings by the January 9 deadline for registering presidential candidates. Should the PNP fail to overcome the JNE's objections, the Union for Peru Party (UPP) is offering to merge with the PNP and nominate Humala on the UPP ticket, with UPP leader Congressman Michel Martinez taking the First Vice President slot.

13. (C) COMMENT: It remains an open question whether Humala will be able to sustain the momentum that currently would have him gain a spot in the presidential run-off. The reports that the business elite is pouring money into his coffers is worrisome, as this would facilitate Humala's efforts to keep his campaign energized. He has thus far avoided identifying himself with detailed policies, instead cultivating a vague image as an honest, courageous and nationalistic outsider, committed to social justice and cleaning out the corrupt politicians, while distancing himself from his father's Ethnocacerista Movement and his brother Antauro's armed uprising in Andahuaylas (Ref B-E). When offered the chance to explain his policies at the recent CADE business association meeting, Humala declined, ostensibly because he was scheduled to speak with the political "minnows" rather than receive a prime time spot like Flores, Garcia and Paniagua. As the campaign proceeds, he should come under increasing scrutiny by the media and voters, which could detract from his appeal. This process will be promoted by a USD one million USAID-funded election transparency program, run by the National Democratic Institute and the local NGO Transparencia, that starting in January will promote debates between candidates and publicize their views on key specific issues. There is also the possibility that the Fujimoristas can regroup from their current malaise and mount a strong campaign, with Fujimori or an alternate, thereby regaining some of their supporters who have migrated to Humala. It is also possible that Humala has

made his advance too soon. When Fujimori mounted his charge in 1990, he did so in the final month of the campaign. Humala still has four months to go, and may well turn out to be a sprinter who used up his energy on the first turn, only to fade in the home stretch. END COMMENT.

ALAN GARCIA - APRA

14. (U) Garcia is in a relatively comfortable position, in third place, within ten points of the leader, with almost four months of campaigning to go. Given that he is universally regarded as a phenomenon on the hustings, and that his party has the country's best organized political machine, he can be expected to build up his support as the campaign moves forward and be in a position to supplant Flores or Humala should either begin to falter.

15. (C) APRA co-Secretary General (and Congressman) Mauricio Mulder recently told Poloffs that APRA's analysis is that Flores topped out in November with as much support as a center-right candidate can achieve, and will likely see her poll numbers fall; that Humala and Fujimori will divide the 30 percent anti-system vote; that Paniagua will not mount much of a threat; and that APRA will achieve its traditional 25-33 percent support, which will be enough to reach the second round. On the campaign trail, Mulder added, Garcia will rally the faithful, while also reaching out to both the left and the right to top up his numbers.

16. (U) Garcia has indeed been following this script. In speaking to CADE, the APRA leader welcomed foreign investment, supported Peru's integration in to the world economy, reassured domestic businessmen that his government would promote an aggressive industrial policy, vowed to increase government efficiency, and proposed a multi-million dollar program to increase agricultural exports from the Altiplano and jungle. When addressing APRA and provincial audiences, however, Garcia has stressed more populist themes such as cutting top bureaucrats' salaries in half, criticized Flores as representing the "extreme right-wing of an absolute free economy," while damning Humala for pushing "a primitive form of nationalism without rational proposals." Garcia has also attacked the GOP's initiative to ratify the Law of the Sea Convention and is opposing congressional consideration of the U.S.-Peru Free Trade Agreement until after the elections. Both of these positions appear linked to concern that Humala would gain political ground attacking these initiatives on nationalist grounds.

VALENTIN PANIAGUA - CENTER FRONT

17. (U) Former Interim President Valentin Paniagua is a grandfatherly figure, widely liked and respected, but not the type to inspire enthusiasm. His relative absence from the public spotlight over the past year led to widespread speculation that he does not have the inner drive to mount a strong campaign. As a result his support had gradually deteriorated in the polls, from 18 percent in August to 14 percent today. Paniagua's Accion Popular party has linked up with former Lima Mayor Alberto Andrade's Somos Peru party and economist Drago Kistic's National Coordinator of Independents party to form the Center Front alliance, which espouses rather woolly center-left policies on "integrated decentralized development," combating corruption, judicial reform, increased education spending and a new Constitution.

18. (U) COMMENT: A key test of Paniagua's drawing power and of the Center Front's organizational abilities will come on December 16, when the alliance is holding a rally in Paniagua's home city of Cuzco to kick off its campaign. Humala filled the central plaza there a few weeks ago, and Paniagua needs to show that he can better this in his own backyard if he is to generate momentum. The Center Front's chances could be damaged by competing center-left candidates such as former Women's Affairs Minister Susana Villaran and Peru's former Ambassador to the OAS Alberto Borea. Villaran had problems registering her Social Democratic Party, which weakened her hand in negotiating for a place with the Center Front. In the end she linked up with Lambayeque Regional President Yehude Simon, whose Peruvian Humanist Movement quit the Central Front in a huff after Andrade and Kistic derided it as a minor partner in the alliance. END COMMENT.

ALBERTO FUJIMORI - ALLIANCE FOR THE FUTURE/SI CUMPLE

19. (C) The Apoyo poll shows that former President Alberto Fujimori maintains a strong base of support, perhaps as high as a quarter of the voting population given his popularity in rural areas. Whether this will translate into votes next April for a Fujimorista presidential ticket and congressional list depends on a lot of "ifs." Will Fujimori be released from jail? Will he be able to stand as a candidate? Will an attractive replacement be found if he cannot stand? Will the

congressional list draw support? Will the Fujimorista parties get their act together and mount an effective campaign? Currently, the Fujimoristas have two electoral vehicles: the Alliance for the Future (AF - made up of the Cambio 90 and Nueva Mayoria parties) and the Si Cumple ("He Delivers") party. Their strategy is to have Si Cumple nominate Fujimori for President, while AF nominates a back-up list. If Fujimori is disqualified by the National Electoral Board based on a congressional resolution banning him from holding public office until 2011, as seems likely, then the AF presidential ticket will go forward. If Fujimori is permitted to run, then the AF ticket will be withdrawn. (NOTE: SEPTTEL will go into greater detail on the Fujimoristas' strategy and tactics. END NOTE).

#### POSSIBLE OUTSIDERS

120. (SBU) There are no "outsiders" that currently look like mounting a serious challenge to the major candidates. Jaime Salinas has slightly increased his support from three to four percent in the latest poll, but his candidacy does not appear to be gaining any meaningful momentum; his hiring of noted American political consultant Dick Morris gained plenty of publicity for the latter, but dismissive treatment for Salinas' candidacy. President Alejandro Toledo's Peru Posible party has been engaged in a comedy of errors: Toledo tried, but failed to convince former Foreign Minister Manuel Rodriguez to stand; Vice President David Waisman withdrew his name on health grounds; Toledo then hand-picked an unknown health food entrepreneur, Jeannette Enmanuel, but she quit the race after five days claiming telephone threats unnerved her family (though some pundits suggest she did not want her business interests closely scrutinized); and in the end the party's nomination was offered and accepted by Rafael Belaunde, son of former President Fernando Belaunde, and a notorious political loose cannon who previously heartily criticized the Toledo Administration. The other pro-GOP party, the Independent Moralizing Front, is marginalized, and its likely candidate, Fernando Olivera, is probably the most unpopular politician in the country right now. Center-leftists Susana Villaran and Alberto Borea may take votes away from Paniagua, but are unlikely to do much more than that. Congressman Javier Diez Canseco should split the minimal far-left vote with the Marxist New Leftist Movement's Alberto Moreno.

#### COMMENT

121. (SBU) While it remains early in the electoral season, the specter of Humala reaching the second round has to be taken seriously at this stage. His surging popularity is attracting increased media attention, and also seems to be drawing in substantial financial support. An Evo Morales victory in the upcoming Bolivian elections would give Humala an additional boost, demonstrating that an anti-system, pro-coca nationalist can gain the presidency of an Andean country. The Apoyo poll indicates that should Humala reach the run-off stage he would lose against Flores (50-35 percent) and Paniagua (48-36), but beat Garcia (44-31). Even if he does not win the presidency, however, Humala, unless he falters badly over the next four months, should emerge as a powerful disruptive political force in command of a sizable congressional bloc, the role that Evo Morales has played to such destructive results in recent years. This does not bode well for our interests in strengthening democratic institutions, promoting economic development and combating drugs. The Humala threat may well lead to a lengthy postponement in legislative consideration of the U.S.-Peru Free Trade Agreement, as APRA, the major opposition party, is reluctant to move this forward during the campaign season out of concern that Humala would obtain electoral advantages by attacking it on nationalistic and populist grounds. END COMMENT.

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